

Concise Explanatory Statement Self Employment Assistance Program

REASONS FOR ADOPTING RULES

The 2007 legislature passed legislation authorizing the department to pay unemployment benefits to individuals participating in an approved entrepreneurial training program with the goal of becoming self-employed. Prior to passage of the legislation, claimants pursuing self-employment activities were ineligible for unemployment benefits.

DIFFERENCES BETWEEN PROPOSED RULES AND ADOPTED RULES

None.

SUMMARY AND RESPONSE TO COMMENTS RECEIVED

Comment: The rule should make it clear that a claimant is not eligible for benefits, even if meeting the job search and availability requirements, when he or she is removed from a training program for fraud or another activity that makes them ineligible for unemployment benefits.

Incorporated in Final Rules: An individual who fails to make satisfactory progress in training is eligible for unemployment benefits if he or she meets the job search and availability requirements.

Comment: The provision that a claimant removed from the program for failure to participate is ineligible to re-enroll should include a time period.

Incorporated in Final Rules: A claimant is not eligible to re-enroll for the remainder of his or her benefit year.

Comment: The non-compete requirement should be for up to one year from the date of completion of training.

Incorporated in Final Rules: Done.

Comment: The department should define the terms of a non-compete agreement to the extent possible.

Reasons Not Incorporated in Final Rules: The specifics of a non-compete agreement involve the claimant and his or her former employer, not the department. The agreement is effective upon completion of training by the individual, when he or she is no longer receiving unemployment benefits and is no longer required to report to the department.

Comment: The non-compete requirement is between the individual and the company. The department has no real ability to police it. The requirement that an individual not compete with his or her former employer should be noted on the training application.

Incorporated in Final Rules: As part of the application, the individual must certify that he or she will not compete with their former employer for up to one year after completion of the training program.

Comment: The term “likely to exhaust” should be defined.

Incorporated in Final Rules: Done.

Comment: The department shouldn’t try to define the elements of training further than what is included in the law. Every trainee is different and the training provider tailors a program to his or her individual needs.

Incorporated in Final Rules: The final rules list the required elements of the training program as those specified in the law.

Comment: As much as possible, the rules for SEAP should mirror those for commissioner-approved training (CAT).

Incorporated in Final Rules: Where possible, the CAT rules have been amended to incorporate SEAP. Additional rules have been adopted to cover necessary differences between “regular” CAT and SEAP.

Comment: If a claimant finishes training before his or her unemployment benefits run out, he or she should be eligible for benefits if they are “looking for business” rather than “looking for employment.”

Reasons Not Incorporated in Final Rules: The law as amended does not authorize the payment of benefits to individuals who are seeking self-employment when not enrolled in SEAP. However, the training plan should be designed to include activities beyond classroom training such as technical assistance and “other activities relating to setting up a business.”

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